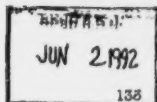


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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM 10 - Q

Q
92-2276

Quarterly Report Under Section 13 or 15 (d) of the
Securities Exchange Act of 1934

For Quarter Ended February 29, 1992 Commission File No. (13-9985-NY)

0-16608

Radon Testing Corporation of America, Inc.
(Exact name of registrant as specified in its charter)

New York 13-3324692
(State or other jurisdiction (I.R.S. Employer Identification No.)
of incorporation or organization)

50 South Buckhout Street, Irvington, New York 10533
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (914) 591-4304

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to the filing requirements for the past 90 days.

YES _____ NO _____ X _____

Registrant's Shares Outstanding 6,717,990

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RADON TESTING CORPORATION OF AMERICA, INC.
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	<u>ASSETS</u>	February 29, 1992 <u>(Unaudited)</u>	November 30, 1991
CURRENT ASSETS:			
Cash and cash equivalents		\$ 2,663	\$ 451
Accounts receivable		61,635	52,102
Inventory		33,979	33,979
Deposit		-	5,000
Prepaid expenses		<u>4,400</u>	<u>4,400</u>
TOTAL CURRENT ASSETS		102,677	95,932
PROPERTY AND EQUIPMENT (net of accumulated depreciation of \$582,475 for 1992 and \$534,475 for 1991)		364,267	272,290
OTHER ASSETS - Security deposits		<u>12,817</u>	<u>12,235</u>
TOTAL ASSETS		\$ <u>479,761</u>	\$ <u>380,457</u>
 <u>LIABILITIES AND STOCKHOLDERS' DEFICIENCY</u>			
CURRENT LIABILITIES:			
Note payable - current portion		\$ 53,712	\$ 6,032
Accounts payable		184,187	164,636
Accrued expenses		271,031	275,004
Accrued officers' salaries		491,756	455,221
Notes payable - officer		<u>5,000</u>	<u>5,000</u>
		1,005,686	905,893
OTHER LIABILITIES - Note payable		<u>73,800</u>	<u>-</u>
TOTAL LIABILITIES		<u>1,079,486</u>	<u>905,893</u>
STOCKHOLDERS' DEFICIENCY:			
Common stock-par value \$.001 per share; authorized 15,000,000 shares, issued and outstanding 6,717,990 shares in 1992 and 1991.		6,718	6,718
Additional paid-in capital		2,333,230	2,333,230
Accumulated deficit		<u>(2,939,673)</u>	<u>(2,865,384)</u>
TOTAL STOCKHOLDERS' DEFICIENCY		<u>(599,725)</u>	<u>(525,436)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY		\$ <u>479,761</u>	\$ <u>380,457</u>

See Notes to Consolidated Financial Statements.

RADON TESTING CORPORATION OF AMERICA, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended <u>February 29,</u> <u>1992</u>	February 28, <u>1991</u>
FEE INCOME	\$ <u>140,345</u>	\$ <u>163,810</u>
OPERATING EXPENSES:		
Direct costs	25,840	72,490
Selling and shipping	60,410	50,725
General and administrative	84,045	86,008
Depreciation and amortization	<u>48,000</u>	<u>44,300</u>
TOTAL OPERATING EXPENSES	<u>218,295</u>	<u>253,523</u>
(LOSS) BEFORE INTEREST AND OTHER INCOME	(77,950)	(89,713)
INTEREST INCOME	<u>3,661</u>	<u>-</u>
NET (LOSS)	\$(<u>74,289</u>)	\$(<u>89,713</u>)
Net (Loss) Per Share	<u>(.01)</u>	<u>(.01)</u>
Weighted Average Number of Shares Outstanding	<u>6,717,990</u>	<u>6,717,990</u>

See Notes to Consolidated Financial Statements.

RADON TESTING CORPORATION OF AMERICA, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Three Months Ended <u>February 29,</u> <u>1992</u>	<u>February 28,</u> <u>1991</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (Loss)	\$(74,289)	\$(89,713)
Adjustments to reconcile net (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	48,000	44,300
(Increase) in accounts receivable	(9,533)	(37,025)
Decrease in deferred expenses	-	9,600
Decrease in deposit	5,000	-
Decrease in refund receivable	-	15,080
Increase in accounts payable	19,551	18,883
Increase in accrued expenses	<u>32,562</u>	<u>42,500</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>21,291</u>	<u>3,625</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(139,977)	(1,078)
Increase in security deposits	<u>(582)</u>	<u>(200)</u>
NET CASH (USED IN) INVESTING ACTIVITIES	<u>(140,552)</u>	<u>(1,278)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments of note payable	(1,490)	(1,452)
Payments of loan payable - officer	-	(2,800)
Proceeds from note payable	<u>122,970</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>121,480</u>	<u>(4,252)</u>
NET INCREASE (DECREASE) IN CASH	2,212	(1,905)
CASH - BEGINNING OF PERIOD	<u>451</u>	<u>2,080</u>
CASH - END OF PERIOD	<u>\$ 2,663</u>	<u>\$ 175</u>
SUPPLEMENTARY DISCLOSURES:		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

See Notes to Consolidated Financial Statements.

RADON TESTING CORPORATION OF AMERICA, INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS OF PRESENTATION

In the opinion of the Registrant's management, the accompanying unaudited financial statements include all adjustments (consisting only of normal adjustments) necessary for a fair presentation of the financial position of the registrant at February 29, 1992 and November 30, 1991, and the results of its operations and its cash flows for the three months ended February 29, 1992 and February 28, 1991.

2. EARNINGS PER SHARE

Earnings per common share were computed using the weighted average number of shares outstanding during the period.

(Shares issuable under stock options and warrants have been excluded from this average because their effect is not dilutive).

3. GOING CONCERN

The Company has experienced consolidated losses of \$335,693, \$640,491, \$895,653 and \$425,642 and \$423,582 during fiscal years ended 1991, 1990, 1989, 1988 and 1987, respectively.

During the first quarter of fiscal year 1992, the Company purchased certain assets of a Company in the radon industry that had filed for bankruptcy under Chapter 7. As a result of the acquisition, the Company believes that it has gained market share in the radon industry through the successful solicitation of accounts previously serviced by the competitor.

Additionally, as part of the agreement, the Company acquired an Inductively Coupled Plasma - Mass Spectrometer. The Company intends to use this equipment to analyze drinking water for lead and other heavy metals. The Company plans to market mail order water test kits during the third quarter of fiscal year 1992 and will report results to the customer in the same manner that it does with radon.

The Company is also diversifying into other environmental testing services for sale to its existing distribution network, and which complement the Company's radon business. The Company will distribute monitors to measure carbon monoxide and carbon dioxide. The marketing costs associated with the sale of these services is expected to be minimal as they will be sold to RTCA's current distribution network. The Company also intends to do on-site field work testing lead in paint.

The Company believes that fee income generated from the sale of these additional services will contribute to the funding of current operations. Although the Company plans to market these services so that they are competitively priced, there are no assurances that the Company will be successful in its efforts to distribute these environmental testing services.

The Company has been seeking additional financing through a private placement for diversification into other environmental testing services, but has not been successful in its pursuit to date.

Management's Discussion and Analysis of Financial
Condition and Results of Operations.

This analysis of the Company's financial condition, capital resources and operating results should be viewed in conjunction with the accompanying financial statements, including the notes thereto.

Liquidity and Going Concern

As a result of net losses during fiscal years ended 1991, 1990, 1989, 1988 and 1987 of \$335,693, \$640,491, \$895,653, \$425,642 and \$423,582, respectively, the Company's independent public accountants have qualified their opinion with respect to the Company's financial statements. During the first quarter of fiscal year 1992, the Company had a net loss of \$74,289. At February 29, 1992 the Company had \$2,663 of cash and negative working capital in excess of \$903,000 due primarily to accrued expenses of approximately \$762,000. The negative working capital is primarily a result of the Company's inability to generate sufficient revenues to offset its cost of operations. The accrued expenses consist of liabilities incurred, but not yet paid for, including employment contracts in the amount of \$491,756 and costs associated with canisters out in the field, but not yet received for analysis, in the amount of \$271,031.

In the first quarter of fiscal year 1992, the Company generated approximately \$21,000 from operating activities. During the first quarter of fiscal year 1992, cash provided by financing activities was approximately \$122,000, as a result of the Company investing approximately \$140,000 for the acquisition of equipment. Based on the current level of available cash, collection of accounts receivable and anticipated fee income from the addition of other environmental testing services, the Company expects to be able to fund its current day to day operations during the next twelve months.

During the first quarter of fiscal year 1992, the Company purchased certain assets of a Company in the radon industry that had filed for bankruptcy under Chapter 7. As a result of the acquisition, the Company believes that it has gained market share in the radon industry through the successful solicitation of accounts previously serviced by the competitor. Additionally, as part of the agreement, the Company acquired laboratory equipment which will allow the Company to expand its environmental testing services. The Company intends to use this equipment to analyze drinking water for lead and other heavy metals. The Company plans to market mail order water test kits during the third quarter of fiscal year 1992 and will report results to the customer in the same manner that it does with radon.

The Company has incurred debt payments as a result of the agreement. The Company believes that it will be able to remit the installment payments associated with the acquisition from fee income generated from the new testing equipment and associated services. The Company will consider the needs for acquisition of other fixed assets in the short-term, only if contract work warrants the expenditure.

The Company has been seeking additional financing through a private placement for diversification into other environmental testing services, but has not been successful in its pursuit to date.

The Company is also diversifying into other environmental testing services for sale to its existing distribution network, and which complement the Company's radon business. The Company will distribute monitors to measure carbon monoxide and carbon dioxide. The marketing costs associated with the sale of these services is expected to be minimal as they will be sold to RTCA's current distribution network. The Company also intends to do on-site field work testing lead in paint.

The Company believes that fee income generated from the sale of these additional services will contribute to the funding of current operations. Although the Company plans to market these services so that they are competitively priced, there are no assurances that the Company will be successful in its efforts to distribute these environmental testing services. To date, the sales from these services and the associated marketing and distribution costs have been insignificant.

Results of Operations -

In the first quarter of fiscal year 1992, the Company generated fee income of \$140,345, a decrease of approximately 15% compared to fee income generated in the first quarter of fiscal year 1991. Fee income increased approximately 29% in the first quarter of fiscal year 1992 as compared to the fourth quarter in fiscal year 1991. The Company believes that fee income in the first quarter of fiscal year 1992 was positively impacted by an increase in sales in the housing market.

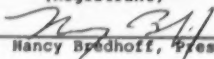
Total operating expenses decreased approximately 14% from the first quarter of fiscal year 1992 compared to the first quarter of fiscal year 1991, primarily as a result of a decrease in requirements to purchase raw materials for production. The reusable components of the test kit reduce the Company's direct costs and need for cash which positively impacts the Company's future operations and cash flows. Any increase in fee income is expected to impact the Company positively because the Company will not have to significantly increase its general overhead. During the first quarter of fiscal year 1992, selling and shipping costs increased due to an increase in the number of consumer canisters being returned for analysis. During the first quarter of fiscal year 1992, the Company had a net loss of \$74,289 compared to a net loss of \$91,646 for the fourth quarter of fiscal year 1991 and \$79,580 for the third quarter of fiscal year 1991. The net loss is primarily due to underutilization of the Company's laboratory capacity. The Company has net operating loss carryforwards of approximately \$2,939,289 to offset against future taxable income. The net operating loss carry-forwards expire between 2001 and 2006.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RADON TESTING CORPORATION OF AMERICA, INC.
(Registrant)

By: _____


Nancy Bedhoff, President

Date: May 29, 1992